

## **Rural Hospital Tax Credit Program FAQs**

**1. May a hospital use donated funds to pay for administration costs?**

Yes. However, donated funds may not be used for fundraising purposes or executive compensation.

**2. May a hospital use donated funds to pay a fundraising consultant to design and assist in the implementation of a capital campaign to raise money?**

No. Donated funds may not be used for fundraising purposes.

**3. May a hospital use donated funds to pay the salary of its CEO or CFO?**

No. Donated funds may not be used for executive compensation.

**4. May a hospital use donated funds to finance healthcare-related renovations or improvements to existing facilities?**

Yes. A hospital may use donated funds to finance renovations or improvements to existing facilities that are used to provide healthcare.

**5. May a hospital use donated funds to finance the construction of a new treatment center that will provide healthcare services?**

Yes. A hospital may use donated funds to finance the construction of a new treatment center that will provide healthcare services.

**6. May a hospital use donated funds to pay the fees of a healthcare consulting firm to prepare a market feasibility study for a proposed new treatment center (i.e. - a new cancer center or maternity center)?**

Yes. A hospital may use donated funds to pay the fees of a healthcare consulting firm to prepare a market feasibility study for a proposed new treatment center.

**7. May a hospital use donated funds to pay an accounting firm to prepare financial projections relating to the construction and operations of a proposed new treatment center (i.e. – a new cancer center or maternity center)?**

Yes. A hospital may use donated funds to pay an accounting firm to prepare financial projections relating to the construction and operations of a proposed new treatment center.

**8. May a hospital use donated funds to pay an architectural firm to design a proposed new treatment center (i.e. – a new cancer center or maternity center)?**

Yes. A hospital may use donated funds to pay an architectural firm to design a proposed new treatment center.

**9. May a hospital use donated funds to make payments on a construction loan to build a new treatment center (i.e. – a new cancer center or maternity center)?**

Yes. A hospital may use donated funds to make payments on a construction loan to build a new treatment center.

**10. May a hospital use donated funds to pay down short-term or long-term debt?**

Yes. A hospital may use donated funds to pay down short-term or long-term debt.